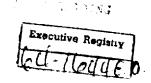
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## EXECUTIVE OFFICE OF THE PRESIDENT BUREAU OF THE BUDGET WASHINGTON 25, D.C.

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FEB 29 1964

Honorable John A. McCone Director of Central Intelligence Central Intelligence Agency Hashington, D. C. 20905

Dear Mr. McCome:

FR 64-1			

On file OMB release instructions apply.

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The action taken by the Bureau on Apportionment Schedule No. 1 reduced the amount requested to be apportioned for regular operation as relating to the results of economy measures which you have directed in compliance with President Johnson's directives. Iter careful consideration of your letter, the current Agency financial plan and information previously supplied by your staff regarding new undertakings and internal reprograming, I have decided to apposition for regular operations an additional amount of This would retain in the reserve the difference of I as hopeful can be realized through the results of the economy actions which you have cited in your letters of January 11 and 13, 1964, to the President. In particular, I note that the Agency can realise a considerable saving in personnel costs represented by the difference between the estimated employment at end of fiscal year 1964 cited in General Certer's letter of October 14, 1963, which transmitted the Agency budget estimates for fiscal year 1965, and the present year-end employment coiling for 1964 which we subsequently agreed upon. As indicated in General Carter's letter, the costs of the manpower estimates which had been revised upward would be set through internal reprograming, and I am acting in the expectation that your reprogramming actions will now identify for savings those funds which otherwise would have been required for the greater numbers of personnel.

Sincerely,

(Signed) Kermit Gordon

Kermit Gordon Director

Enclosure

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